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order to give evidence, and from the point of view of the absolute freedom which they must enjoy now and in the future as regards their statements of any kind whatsoever; but it is understood that no witness from one of the Allied Powers can be forced to give evidence before the court at Leipzig.

The Allied Powers declare their readiness to execute commissions to examine witnesses which might be entrusted to them by the German judicial authorities in order to collect statements by witnesses in their place of residence, as is the usual procedure in normal relations between states.

Should the witnesses who are their nationals proceed to Germany in order to give evidence, the Allied Powers reserve the right to have one or more delegates to be appointed by them present at the hearing of the former, as they also reserve the right to have delegates of the Allied Powers present at the discussions of the court at Leipzig.

Finally, the Allied Powers formally renew their express reservations concerning the exercise of their right in its entirety as defined in Articles 228 and 229 of the Treaty of Versailles, should they consider, from the result of the proceedings and sentences about to be instituted in Germany, that the only result of the offer made by the German Government is to attempt to screen guilty persons from the just and necessary punishment of crimes proved against them.

I remain, etc.

MILLERAND.

AGREEMENT BETWEEN THE ALLIES FOR THE SETTLEMENT OF CERTAIN QUESTIONS AS TO THE APPLICATION OF THE TREATIES OF PEACE AND COMPLEMENTARY AGREEMENTS WITH GERMANY, AUSTRIA, HUNGARY, AND BULGARIA <sup>1</sup>

*Signed at Spa, July 16, 1920*

The Governments of Belgium, France, Great Britain, Italy, Japan and Portugal respectively represented by the undersigned, recognizing that it is in the general interest to effect an immediate settlement between themselves of certain problems arising from the application of the treaties of peace and the complementary agreements, have agreed upon the following:—

PART I

ARTICLE 1

In pursuance of Article 237 of the Treaty of Versailles, sums received from Germany under the head of reparation shall be divided in the following proportions:

	Per cent.
British Empire . . . . .	22
France . . . . .	52
Italy . . . . .	10

<sup>1</sup> British Parliamentary Papers, 1922, (Cmd. 1615).

	Per Cent.
Japan.....	.75
Belgium.....	8
Portugal.....	.75

6.5 per cent. shall be reserved for Greece, Roumania, the Serb-Croat-Slovene State, and for the other Powers entitled to reparation which are not signatories of this agreement.

## ARTICLE 2

The aggregate amount received under the head of reparation from Austria, Bulgaria and Hungary, together with the sums received from Italy, the Czecho-Slovak State, Roumania and the Serb-Croat-Slovene State under the agreements made on September 10 and December 8, 1919,<sup>2</sup> shall be divided as follows: —

- (a) One-half shall be divided between the Allied Governments mentioned in Article 1 in the proportion fixed by the said article.
- (b) Of the other half, Italy shall receive 40 per cent., and 60 per cent. is reserved for Greece, Roumania, the Serb-Croat-Slovene State, and for other Powers entitled to reparation which are not signatories of this agreement.

## PART II

### ARTICLE 3

The Allied Governments recognize that it is in the general interest to determine the total amount due by Germany under Articles 231 and 232 of the Treaty of Versailles, and to make provision for the method of payment on the basis of an agreement embodying:

- (1) The fixing of annuities to be paid by Germany;
- (2) The faculty for her to free herself at an earlier date by discounting some or all of these annuities;
- (3) The issue by Germany of loans destined for the internal requirements of the country and the prompt discharge of its debt to the Allied Powers.

The Allied Governments declare their readiness to take among themselves such measures as they may deem appropriate to facilitate an agreement of this kind.

## PART III

### ARTICLE 4

- (1) For each of the Allied Powers the Reparation Commission will draw up, as on May 1, 1921, a statement in the following form: —

<sup>2</sup> Printed in SUPPLEMENT to this JOURNAL, October, 1920 (Vol. 14), pp. 344-354.

*May 1, 1921*

Creditor	Debtor
(a) Cost to May 1, 1921, of armies of occupation.	(d) Receipts on account of armies of occupation.
(b) Sums advanced to Belgium before November 11, 1918, with interest to May 1, 1921.	(e) Value of deliveries in kind up to May 1, 1921, excluding restitutions under Article 238 under the Treaty of Versailles.
(c) Present value of share in reparation.	(f) Receipts to be credited to Germany under Article 243 of the said treaty excluding final balances under Sections III and IV of Part X (Economic Clauses), and sums applied in accordance with Article 5 (a) of this agreement below towards the satisfaction of the Belgian priority.

If the payments to be made by Germany consist of annuities, or periodical payments which can be discounted, the credit for the present value of the share in reparation referred to in (c) above for each Power shall be fixed by discounting at 5 per cent. the share attributed to that Power in the annuities or periodical payments unless the said share has been, as an exception, fixed at a capital sum.

Where the receipts to be credited under (f) have not been definitely ascertained when the statement is drawn up, the Reparation Commission will estimate the receipts to be credited. The commission will make such subsequent adjustments in the accounts as may be necessary when the amount is definitely ascertained.

(2) If the above statement shows that a Power has received under (d), (e) and (f) more than the aggregate totals of (a), (b) and (c), the Reparation Commission will notify the amount of the excess to the Power in question, and it shall be paid to the Reparation Commission by that Power within three months from the date of the notification.

(3) In all cases, even where the repayment provided for above has been made, any excess of the sums debited under (d), (e) and (f) over the sums credited under (a) shall be retained for the following purposes:

- (a) In the case of Belgium, the excess shall be regarded as a payment on account of her priority of  $2\frac{1}{2}$  milliards of gold francs.
- (b) In the case of each of the Allied Powers other than Belgium, it shall be treated as an advance repayable in the manner indicated below, and bearing interest of 5 per cent., which shall be placed to the credit of the special interest account referred to in paragraph 4.

The amounts so treated as an advance shall constitute contingent reserves for the purpose of enabling the Reparation Commission to meet, during the ensuing five years, the service of the whole or part of the German loans referred to in Article 3 (3) in the event of default by Germany.

For this purpose, the amount for each Power shall be divided into five equal parts, one of which shall be attributable to each of the five years. If, in any year, the part attributable to that year is not required for the service of the German loans, it shall be applied for the following purposes in the order named:

- (i) In discharge of sums then due by Germany to that Power in respect of the cost of the army of occupation.
- (ii) In satisfaction of sums, either capital or interest, due by Belgium to the Power in question for moneys advanced before November 11, 1918.
- (iii) Towards the annuities, if any, due by Germany to the Power concerned.
- (iv) As regards Italy and Japan, towards the payment by anticipation of future instalments of the annuities due to those Powers (beginning with the earlier instalments) at such rates of discount not being less than 5 per cent. (five) as may from time to time be agreed between those Powers and the Reparation Commission.

Any balance not required for the above purpose shall be paid to the Reparation Commission for division among the Powers in the proportions laid down in Article 1.

(4) A special interest account shall be drawn up for each Power, and in it shall be included after May 1, 1921, the interest on the advances referred to in paragraph 3. The credit balance on the account shall be divided among the Powers, other than Belgium, in proportion to the percentages laid down in Article 1.

#### ARTICLE 5

In consideration of the sacrifice made in the general interest by all the Powers which are creditors of Germany in order to ensure the success of the loans referred to in Article 3, and with a view to avoiding all difficulty in inter-allied financial adjustments, Belgium consents, and it is hereby agreed, that the sum of  $2\frac{1}{2}$  milliards of gold francs, to which she is entitled in priority under the agreement of June 16, 1919,<sup>3</sup> should be ensured as follows:

Belgium retains, as laid down in Article 4 of this agreement, the excess of the deliveries in kind and the transfer of German rights and interests received before May 1, 1921. The remainder of the  $2\frac{1}{2}$  milliards of gold francs shall, after payment of the costs of the armies of occupation which

<sup>3</sup>See message of President Wilson to Congress, transmitting agreement with Belgium of June 16, 1919, *supra*, p. 190.

have not been paid as provided in Article 4, and until the priority granted to her is satisfied, be paid:

(a) Up till May 1, 1921, out of any cash payments received by the Reparation Commission under Article 243, and, in particular, from sums received under the following heads:

- (1) Reimbursements to be effected under the conditions specified in Article 4 by any Allied Power which has received deliveries in kind or transfers of German rights or interests referred to in Article 243 of the Treaty of Versailles, to a value in excess of her credits with Germany on account of the cost, if any, of her armies of occupation, of her reparation for damage, and of the sums, if any, to be reimbursed to her in respect of advances to Belgium up to November 11, 1918.
- (2) Receipts in respect of final balances in favor of Germany from the clearing houses provided for in Article 296 of the Treaty of Versailles and of the proceeds of the liquidation of German property, rights and interests seized by the Allied Powers in their respective territories, and paid to the Reparation Commission in conformity with the provisions of Article 297, paragraph (h) of the said treaty.
- (3) Any payments under Article 254 of the Treaty of Versailles in respect of the assumption of part of the debt of the German Empire, or of a German State, by Denmark (Schleswig), Czecho-Slovakia, or the Free City of Danzig.
- (4) The value under Article 256 of the Treaty of Versailles of the assets and properties of the German Empire and States in the territories transferred by Germany received from Denmark (Schleswig), Czecho-Slovakia and the Free City of Danzig.
- (5) The acquisition under Article 260 of the Treaty of Versailles of the value of German rights or interests in public utility undertakings or concessions in the countries and territories referred to in that article.
- (6) The sale of arms, munitions, war material and machinery which is to be destroyed in accordance with Article 169 of the Treaty of Versailles.
- (7) Sale to Luxemburg of German coal delivered in execution of paragraph 5 of Annex V of Part VIII (Reparation) of the Treaty of Versailles.
- (8) Distribution or sale by the Reparation Commission of dyestuffs and chemical drugs delivered by Germany under the conditions laid down in Annex VI of Part VIII (Reparation) of the Treaty of Versailles.

- (b) After May 1, 1921, subject to the payment in priority of the cost of the armies of occupation, the value of all deliveries or payments made by Germany, and any other receipts of the Reparation Commission available for distribution.
- (c) To the extent specified below, the proceeds of the first German loan, and contingently, the proceeds of the following loans, Belgium recognizes that, in order to ensure the success of the loans it is proper to interest the largest number of Germany's creditors in their success, and not to reserve to one Power practically the whole proceeds. After deducting that part of the proceeds of these loans which is reserved for Germany, Belgium will receive, if necessary, up to 50 per cent. of the proceeds.
- (d) If the payment of the amounts due by Germany for reparation is provided for in the form of annuities, sums paid to Belgium by reason of her right of priority will be deducted from her share of the annuities, or from her share of the proceeds of the annuities if all or any of them are discounted. This deduction must be so arranged as to ensure that Belgium's share in the present value of the receipts from Germany shall coincide with the percentage allotted to her in Article 1 of this agreement.

#### ARTICLE 6

(1) Germany, by Annex III of Part VIII (Reparation) of the Treaty of Versailles, and Austria and Hungary, by the corresponding provisions of the Treaty of St. Germain and the Treaty of Trianon, having recognized the right of the Allied and Associated Powers to the replacement, ton for ton and class for class, of all merchant ships and fishing boats lost or damaged owing to the war, and in view of the great difficulty of fixing a fair value for the ships surrendered except after the actual sale of the greater portion of such ships, it is agreed as follows:

The sale of the ships allotted to the British Empire shall be made before May 1, 1921, by the Reparation Commission on the British market and shall be made to British nationals.

The amount to be credited to the ex-enemy Powers and debited to the British Empire in respect of merchant vessels and fishing craft allotted to it, or subsequently transferred to it under inter-Allied agreements, shall, subject to adjustments rendered necessary by repairs or the expenses of delivery be the actual price realized by such sales.

In the case of other Powers, the amount to be debited in respect of merchant vessels and fishing craft allotted to them, or subsequently transferred to them under inter-Allied agreements, shall be the average amounts, subject to similar adjustments, realized by the sale of similar ships of each class on the British market.

The value so ascertained shall be debited to the Allied Power and credited

to the ex-enemy Power concerned as on the following dates. In the case of Germany, on January 10, 1920, or the date of the delivery of the vessel whichever may be later; in the case of Austria and Hungary on the respective dates of the coming into force of the treaties of peace with those countries.

Interest at 5 per cent. per annum from the above dates up till the date of sale or up to May 1, 1921, if the ships are not sold before that date shall be debited to the British Empire in respect of ships allotted or transferred to it and shall be credited to the special interest account referred to in Article 4.

In the case of each of the other Powers a lump sum shall be debited in respect of interest and credited to the said special account. This sum shall bear the same proportion to the total amount debited to the British Empire in respect of interest as the value of the total amount of tonnage allotted or transferred to that Power bears to the value of the total amount of tonnage allotted or transferred to the British Empire.

(2) No charge shall be debited to any Allied Power to which ships have been allotted for the use of such ships after the coming into force of the several treaties of peace.

(3) In the case of ships transferred, the hire of such ships, until transferred, shall be paid over to the transferring Power by the Power to which ships are transferred. Such payments shall be effected by deducting the amount of the hire, plus interest at 5 per cent. per annum from the date of the transfer of the ships, from the first percentage payment, other than payments in kind or services rendered, received either from Germany, Austria, or Hungary, whichever may be the earliest, by the Power to which the ship is transferred, and adding it to the first percentage payment received by the transferring Power.

(4) After the final allotment of tonnage by the Reparation Commission, there shall be transferred to Belgium out of the shares of the other Powers sharing in the distribution of tonnage, such an amount of tonnage as will make up her ton for ton allotment to a total equivalent to the tonnage of the vessels condemned after the armistice in the Belgian Prize Court. Such tonnage shall be of approximately the same age, type and value as the condemned ships. The contribution of each of the transferring Powers shall be in proportion to their approved claims for the ton for ton allotment of ex-enemy tonnage.

The value of the vessels allotted to Belgium, and also of those transferred to her as above, will be debited to the transferring Powers in the same proportions as they contribute the transferred ships.

The condemnation of the above vessels in the Belgian Prize Court not being recognized by the Allied Powers, Belgium, while maintaining the validity of these decisions, agrees, in consideration of the tonnage transferred to her under this paragraph (4), not to claim any interest in these vessels by reason of their condemnation.

## ARTICLE 7

No sum shall be credited to Germany for the light cruisers, floating docks or the material handed over, or to be handed over, under the protocol of January 10, 1920, as compensation for the warships which were sunk.

As regards sunk German ships which have been, or may be, salvaged, a Power to which they have been, or may be, allotted, will be chargeable with the cost of the salvage incurred by the Power which has borne them.

## ARTICLE 8

No sum shall be credited to Germany in respect of the proceeds of the sale of warships and naval war material surrendered under the Naval Clauses of the Treaty of Versailles, including the value of the arisings from naval war material which may have been, or may be, sold by the Reparation Commission at the request of the Supreme Council. These sums shall be divided between the Allied Powers in the same proportions as were approved by the Supreme Council for the material surrendered under the protocol of January 10, 1920.

## ARTICLE 9

Italy shall, in priority to all other Allied Powers, be entitled to retain and set off against the amounts due to her by Austria, Bulgaria and Hungary in respect of the armies of occupation and reparation a sum equal to the amount for which she may be adjudged by the Reparation Commission to be liable to account to the Reparation Commission in respect of the value of property transferred and services rendered up to May 1, 1921, under Article 189 and Annexes III, IV, and V to Part VIII (Reparation) of the Treaty of St. Germain, and of the corresponding provisions of the Treaty of the Trianon and also of the sum provided for in the agreement relating to Italy with respect to the reparation contribution signed at St. Germain on September 10, 1919, as modified at Paris on December 8, 1919. Italy will in consequence only be obliged to issue the bonds referred to in Article 4 of the said agreement if and so far as her debt is not covered by the set off provided for above.

## ARTICLE 10

The provisions of the present agreement do not apply to Poland. The right of Poland to reparation for damage suffered by her, as an integral part of the former Empire of Russia, is reserved in accordance with Article 116 of the Treaty of Versailles and Article 87 of the Treaty of St. Germain.

The sums to be credited to Germany and Austria under Articles 92 and 243 of the Treaty of Versailles, and Article 189 of the Treaty of St. Germain, shall be entered provisionally in suspense accounts carrying interest at 5 per cent. per annum.

## ARTICLE 11

The stipulations of the present agreement shall not affect the operation of the provisions of Article 232, paragraph 3, of the Treaty of Versailles.

The amount of the sums borrowed by Belgium up till November 11, 1919, including interest at 5 per cent. per annum up till the date of payment, shall rank immediately after the payment of 2½ milliards of gold francs referred to in Article 5 and be distributed as equally as possible over the sums paid each year by Germany before May 1, 1926.

Sums paid in advance by Germany shall not be applied for the purpose of discounting this part of her yearly payments.

## ARTICLE 12

Nothing in this agreement shall prejudice the right of the Allied Powers to repayment of the relief credits afforded by them to the ex-enemy Powers.

## ARTICLE 13

The question of the reduction of the cost of the armies of occupation to a uniform basis for all the Allied and Associated Powers is reserved in order that it may be discussed with the United States of America.

BELGIUM	(Signed)	LEON DELACROIX.
FRANCE	(Signed)	A. MILLERAND.
GREAT BRITAIN	(Signed)	D. LLOYD GEORGE.
ITALY	(Signed)	C. SFORZA
JAPAN	(Signed)	S. CHINDA.
PORTUGAL	(Signed)	ALFONSO COSTIA.

Spa, July 16th, 1920.

*Le Secrétaire-General de la Conférence de Spa.*

(Signed) ROLIN JAEQUEMYS.

PROTOCOL OF SPA CONFERENCE RESPECTING COAL <sup>1</sup>

*July 16, 1920*

(Translation)

The German Government undertake to place at the disposal of the Allies, from the 1st August, 1920, for the ensuing six months, 2,000,000 tons of coal per month, this figure having been approved by the Reparation Commission.

2. The Allied Governments will credit the reparation accounts with the value of this coal, as far as it is delivered by rail or inland navigation, and it will be valued at the German internal price in accordance with paragraph 6 (A), Annex V, Part VIII of the Treaty of Versailles. In addition, in consideration of the admission of the right of the Allies to have coal of specified kind and quality delivered to them, a premium of 5 gold marks, payable in cash by the party taking delivery shall be applied to acquisition of food-stuffs for the German miners.

<sup>1</sup> British Parliamentary Publications, Miscellaneous, 1921, No. 15. (Cmd. 1325), p. 175.